

Town of Los Altos Hills

City Council Regular Meeting Minutes

Thursday, May 24, 2007
Council Chambers, 26379 Fremont Road

CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Mayor Warshawsky called the City Council Regular Meeting to order at 6:35 p.m. in the Council Chambers at Town Hall.

Present: Mayor Dean Warshawsky, Mayor Pro Tem Craig A.T. Jones, Councilmember Breene Kerr, Councilmember Jean Mordo and Councilmember Mike O'Malley

Absent: None

Staff: City Manager Carl Cahill; Public Works Director/City Engineer Henry Louie, Administrative Services Director Sarah Ragsdale, Planning Director Debbie Pedro, City Attorney Steve Mattas, and City Clerk Karen Jost

MOTION SECONDED AND CARRIED: Moved by Jones, seconded by Mordo and passed unanimously to limit comments from the floor to two minutes.

Council adjourned to Closed Session at 6:38 p.m.

CLOSED SESSION

CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6

Agency Designated Representative: City Manager

Unrepresented Employee: City Engineer

CLOSED SESSION: EMPLOYEE PERFORMANCE EVALUATION: CITY MANAGER

(Pursuant to Government Code Section 54957)

CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATOR(S)

(Pursuant to Government Code Section 54957.6)

Agency Designated Representative: Mayor/City Attorney

Unrepresented Employee: City Manager

PUBLIC SESSION

Council reconvened to Open Session at 7:05 p.m.

Report out of Closed Session: Council considered all three items noticed on the agenda; direction was given; no reportable action was taken.

CONSENT CALENDAR

Item Remove: Item 3 (O'Malley)

MOTIONED SECONDED AND CARRIED: Moved by Mordo, seconded by Kerr and passed unanimously to approve the remainder of the consent calendar, specifically:

1. Review of Disbursements: 05/2/2007 – 05/15/2007 \$133,082.71
2. Monthly Financial Report
4. Approval of Agreement for Information Technology Services
Resolution No. 27-07
5. Notification of Fast Track Approval: Lands of Kelly: 24221 Hillview Road
(File # 42-07-ZP-SD); A Request for a Site Development Permit for a new 5,719
square foot single story residence (maximum height 24'7") CEQA review-
Categorical Exemption per 15303(a)

Item Removed:

3. Resolution to Adopt the Santa Clara Valley Water Resources Protection Collaborative
Guidelines and Standards for Land Uses Near Streams

Councilmember O'Malley questioned if the resolution was in concurrence with the Collaborative directives and if the Town would retain control over creek-side development.

Planning Director Pedro acknowledged that the adoption of the resolution would fulfill the Town's commitment as a member of the Collaborative and the Town would retain control over development.

MOTION SECONDED AND CARRIED: Moved by O'Malley, seconded by Mordo and passed unanimously to adopt Resolution No.26-07 "Adopting the Santa Clara Valley Water Resources Protection Collaborative Guidelines and Standards for Land Use Near Streams."

PRESENTATIONS FROM THE FLOOR

Shari Emling, resident, thanked staff for their efforts to maintain the native plants at the corner of Altamont Road and Moody Road.

PUBLIC HEARINGS

6. Review and Approval of Revised Schedule of Fees, Deposits, Charges for Services and other Assessments

Councilmember Mordo introduced this item. The City Council at their December 14, 2006 meeting had approved a 3.5% increase in fees. At that time, it was determined that the increase did not cover the subsidy of costs for the services. Staff was directed to work with the Finance and Investment Committee to develop a fee schedule that would further reduce the subsidy of development activity. Before Council for their consideration was a proposal to adjust the fees to reduce the gap between fees and building, planning and engineering expenditures. Mordo explained that if the fee schedule was adopted, the remaining deficit would be reduced by approximately \$260,000. He noted that fees were fixed and development activity was variable. The remaining deficit could be reduced further as building activity increased.

Administrative Services Director Sarah Ragsdale proceeded with a PowerPoint presentation that included; graph of Building and Planning Activity with fees and cost of services for the past seven years; permitting activity by Fiscal Year (2003-present); cost of building permit fee increase for development of new homes and other projects; building permit cost comparison (current and proposed) for a new residence; and, comparison of current and proposed building fees to other like cities including Atherton, Los Altos, Monte Sereno, Portola Valley and Woodside. The comparison illustrated that the Town with the proposed increase was not the highest in fee assessment but would now be more in line with the other cities.

Ragsdale explained that the deficit had been created by a decline in development activity and reduction in the fees in 2003. The current level of building was considered more realistic but it was difficult to predict the future level of permits.

The Finance and Investment Committee had reviewed the new fee structure and recommended Council approval. The associated revenue had been included in the proposed Capital Improvement Project Budget FY 2007-2008 to be considered by the Council as the second public hearing on the agenda.

OPENED PUBLIC HEARING

None

CLOSED PUBLIC HEARING

Council discussion ensued.

Councilmember O'Malley suggested that the fee increase was reasonable. The Town would still have a slight deficit and was actually returning to fee rates that were charged three years ago. He thanked Ms. Ragsdale for the fine analysis.

Mayor Pro Term Jones concurred that the analysis was excellent. However, he was uncomfortable increasing fees by 50% with no change in services and offered that the Town currently had an operating surplus. Jones added that he did not believe that slower

building activity warranted a dramatic increase in the fees. He recommended that the changes be phased in over a multiple year period (five years) or that Council conceptually agree to have the base subsidy greater to accommodate the volatility of the housing market.

Councilmember Mordo offered that the fee increase before Council was more moderate than the initial recommendation from staff. He reiterated that the Finance and Investment Committee felt it was important to charge the “real cost” of the development process. If not, the Town residents were subsidizing the applicant building a new house.

Councilmember Kerr spoke to the initial action of Council that had reduced fees in 2003. He noted that the current proposal did not return the fees to the previous level.

Mayor Pro Tem Jones suggested that the Building Department was maintained for the public good and he believed the fixed costs for the department should not be shouldered solely by development. The Department through code enforcement and inspections ensures that the character of the Town was maintained for the good of the community as a whole.

Councilmember O’Malley noted that the Department’s costs were driven by the building activity. The costs were variable depending on the level of development. The Town often used outside consultants when the volume of application submittals increased.

City Manager Cahill explained that as new homes were built, there was an expectation for other Town services like Parks and Recreation that puts pressure on the General Fund. The reduction in the subsidy allows the Town to provide the other services.

Ragsdale explained that the assumption was for 100% of the Building Department’s expenses to be recovered through building permits; however, only 85% of the Planning Department’s costs were recovered through fees in recognition that a portion of the costs benefit the general public.

Councilmember Mordo agreed that the Town did have an operating surplus, but noted that there were numerous needs that necessitated being addressed including: roads, sewers, and parks and recreation. He believed the increased fees would recover the fair share of costs.

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by O’Malley and passed by the following roll call vote to adopt the proposed schedule of “Fees, Deposits, Charges for Services, and Other Assessments” as presented. Resolution No. 28-07

AYES: Mayor Warshawsky, Councilmember Kerr, Councilmember Mordo and Councilmember O'Malley
NOES: Mayor Pro Tem Jones
ABSENT: None
ABSTAIN: None

7. Consideration of Proposed FY 07-08 Operating & Capital Improvement Budget

Administrative Services Director Sarah Ragsdale introduced this item to Council. At the May 10, 2007 Special Council meeting, Council had participated in a study session and reviewed the proposed budget in detail with the Finance and Investment Committee. It was noted that this had been open to the public.

Councilmember Kerr advised that the Pathway projects included in the budget did not reflect the actual cost. It did not include participation from Foothill College nor the full funding by the VTA. He added that the additional segments for the Moody Road/El Monte project (Segments 3-4-5) included in the budget might not be built in the Fiscal Year. Kerr requested clarification on future Pathway Committee projects noting their absence in the proposed budget. Staff explained that no proposals had been forwarded but the Committee could use monies from the General Fund for pathway projects and repay the costs from the Pathways-in-lieu fund.

Council reviewed the Capital Projects and Capital Expenditures Funding for proposed projects in the Fiscal Year 2007-2008. Mayor Pro Tem Jones offered that a number of capital improvement possibilities for the upcoming year had not been included in the budget, including: Westwind Barn renovation; parks and recreation issues; sewer master plan expenditures and pathway projects.

Councilmember O'Malley noted that he had scheduled a meeting with the Pathways Chair to discuss their current objectives and suggested that it would be appropriate for to the Committee to schedule a study session with the Council.

Council reviewed the budget for street maintenance. City Engineer/Public Works Director Henry Louie explained that the budget included the O'Keefe Lane project. He expected the City of Los Altos to participate in the project, noting that one side of the street was LAH and one side was in the jurisdiction of Los Altos.

OPENED PUBLIC HEARING

Russ Harris, resident, commented that construction projects on his street (O'Keefe Lane) had been unending and they have had a dramatic impact on the condition of the street. He implored the Council to make the street safe and passable. He recounted his recent experience with flat tires on the road.

Ulli Sharma, resident, concurred with the comments of Mr. Harris and noted that the construction has been constant for the past four years. She supported the budget expenditure to repair her street and hoped the City of Los Altos would approve funding of the repairs for their side.

Resident, O'Keefe Lane, advised Council that the recent construction had caused damage to several properties including his recently installed pathway. He encouraged the Council to review the damage done to properties.

Louie noted that the Town had not completed their final inspection of the project. The contractor would be required to repair any damage before the Notice of Completion was issued.

CLOSED PUBLIC HEARING

MOTION SECONDED AND CARRIED: Moved by Jones, seconded by Kerr and passed by the following roll call vote to approve the Operating and Capital Improvement Program Budgets for Fiscal Year 2007-2008 as presented. Resolution No. 29-07

AYES: Mayor Warshawsky, Mayor Pro Tem Jones, Councilmember Kerr,
Councilmember Mordo and Councilmember O'Malley
NOES: None
ABSENT: None
ABSTAIN: None

PLANNING COMMISSION REPORT

8. Lands of Alon: 27673 Lupine Road; Request for a Site Development Permit for a landscape screening plan for a 7,482 square foot new residence approved on March 17, 2005 and construction of a new 810 square foot swimming pool. (File #9-07-ZP-SD-GD) CEQA Review: Categorical Exemption per 15303(e) and 15304(b)
9. Lands of Malavalli: 27500 La Vida Real; Request to remove two (2) heritage oak trees and replace them with six (6) oak trees; request to keep a 65-foot tall electric crane on the property during construction. (File # 131-05-ZP-SD-GD) CEQA Review: Categorical Exemption per 15303(a)
10. Lands of Elson: 14370 Miranda Road; 14370 Miranda Road; Request for a Site Development Permit for a 6,531 square foot new residence and new driveway access. Project includes a 1,321 square foot basement and a 550 square foot detached building (pool house). Variance to legalize an existing pool that is not substantiated by permits of record. (File #63-06-ZP-SD-GD-VAR). CEQA Review: Categorical Exemption per 15303(a) and 15303 (e)

Planning Director Debbie Pedro summarized the Planning Commission actions at their last meeting. They had reviewed and approved the identified projects. Pedro advised the City Council that the Clerk had received an appeal of the Lands of Alon approval and it would be scheduled for a public hearing at the next regular City Council meeting.

UNFINISHED BUSINESS

TOWN GOALS (11A-11F)

- 11A. Public Education: Bring Public Education Back to Los Altos Hills Accessible to Children of All Residents

Mayor Warshawsky reported that the Ad Hoc Negotiating Team (Warshawsky, John Radford and Bart Carey) had met with Los Altos School District Superintendent Tim Justus and Board President Bill Cooper. One issue discussed was the relocation of the Bullis Charter School to the Bullis campus. Warshawsky believed that at this time, it was doubtful that the District would approve moving the school to the site as long as they remained an Independent Charter and were not under the District's jurisdiction. Warshawsky suggested that the June 18, 2007 District meeting scheduled for the review of attendance boundaries would be an opportune time for the District to discuss the Bullis Charter School.

Mayor Pro Tem Jones reported that the initial meeting of the newly formed Standing Education Committee had been scheduled for next week. He extended an invitation to the Mayor to attend. He expected the Committee to return to the next Council meeting with a recommendation on the best solution for the Bullis campus.

Councilmember Kerr commented that he would like the Council to consider advising the District of their preference for the attendance boundary that impacts Bullis. He would like to see contiguous attendance areas.

11B. Underground Utilities: Complete Pilot Projects and Assist Underground Assessment Districts

City Engineer/Public Works Director Henry Louie reported that the newly revised cost estimates from PG&E for the Pilot Underground Project were over the original estimate by approximately \$120,000. Bid opening was scheduled for June 26, 2007.

11C. Sanitary Sewers: Update and Implement the Master Plan

Councilmember O'Malley reported that the Ad Hoc Committee was scheduled to meet next week.

11D. Wireless Communications: Continue to Improve Town Wide Cell Coverage

Planning Director Debbie Pedro reported that there were no new projects in the queue. The mitigation landscaping at Westwind Barn was scheduled to start next week.

11E. Complete General Plan Review

Councilmember O'Malley reported that he expected the review of the Noise and Safety Elements to be completed by the end of summer.

11F Develop Comprehensive Plan for Expanded Recreational Facility Access and Begin Implementation of Acquisitions—Report of the Ad Hoc Committee on Recreational Facilities (To be Distributed at the Meeting) (Mayor Pro-Tem Jones)

Mayor Pro Tem Jones reported that the Ad Hoc committee had met prior to the Council meeting (May 24, 2007) and were currently reviewing the alternatives for recreation. Jones summarized the featured article in the June Newsletter that had outlined the

Committee's activities. They included: 1) review of current recreation facilities; 2) responsiveness to recreation survey that showed a strong interest in a community park and possibly a sports field; and, 3) investigation of partnerships with private clubs and/or possible joint ventures for recreation opportunities.

Jones reported that there were a series of projects at the Little League fields that were being assessed that could potentially enhance safety and improve the drainage problems at the site. This should reflect in a reduction of maintenance costs. To appropriately evaluate the drainage problems and move forward on any additional projects at the fields, the City Manager had authorized a topographical survey of the site at a cost of \$8,000.

Jones advised that the Committee would be developing a priority list of projects and budgets. The needs of the Westwind Barn Committee would be integrated into the overall recreation "master plan" with a projected multi-year capital improvement budget.

COUNCIL MEETING RECESSED: 9:40 P.M.

COUNCIL RECONVENED TO OPEN SESSION: 10:00 P.M.

12. 2007 Community Survey on Site Development and Zoning Standards

Planning Director Debbie Pedro introduced this item to Council. The City Council at their February 8, 2007 meeting authorized the Town to conduct a community survey to gauge resident opinions on current site development and zoning standards. Godbe Research, a professional survey firm, was hired to conduct the telephone survey in April 2007. The survey consisted of sixteen questions with several culled from the 2001 mail-in Community Survey.

Pedro proceeded with a PowerPoint Presentation that included: a comparison of responses of 2001 and 2007 survey on questions regarding allowable maximum development area and maximum floor area (MDA/MFA); estate homes; development review process; and, open space easements. The presentation also included a list of Planning Commission Comments and Recommendations from their May 3, 2007 review of the survey findings.

Pedro noted that one of the key findings from the telephone survey was that the majority of residents polled were satisfied with the development regulations and believed that the status quo should be maintained. In comparing the results of the two surveys, there did not appear to be any major shift in opinion. There was a trend however that more people found the regulations too restrictive in 2007, particularly newer, younger residents. The survey findings indicated an increase in "newer residents" with 1-10 years residency in Town.

Only a slight majority of responders believed that a cap or absolute maximum should be set on the size of a home (Estate Homes). However, a majority of residents did concur that setbacks should be increased for homes of 10,000 + square feet.

With regards to open space (conservation) easements, a majority clearly favored the policy of requiring the dedication of open space. However, the majority of residents were not in favor of imposing more restrictive fence regulations and they were evenly divided on the issue of allowing taller deer fencing.

Pedro reviewed the Planning Commissions comments and recommendations that included: 1) majority of residents felt the status quo should be maintained regarding site development issues; 2) high percentage of residents would like to see increased setback requirements for estate homes and recommended that staff return the Estate Home Ordinance (proposed) for review; 3) continued strong support for the open space easement policy; and, 4) in general, younger and newer residents (less than 15 years) were more likely to feel that development standards were too restrictive compared to the more established residents. The Commission recommended that staff develop a "Property Improvement Information Booklet" to be included in the Town's welcome packet.

Council thanked Pedro for her presentation.

Mayor Pro Tem Jones concurred that the survey's findings had strongly endorsed the status quo "on balance". Jones commented that he had several issues that he wanted to address. He was in concurrence with the Planning Commission's recommendation to revisit the Estate Homes with regards to setback and possible restriction of 20,000 square feet. Second, with regards to fencing, he believed that the survey language may have been confusing but there was an indication that there was support for deer fencing taller than 6 feet. Third, was development on sloped property and the LUF penalty. Jones suggested that it appeared that people believed it was too restrictive. The final issue he proposed for discussion was the feasibility of an incentive for people to construct energy efficient homes. Jones added that the Council had previously requested this and he would like to have the issue revisited. Jones noted these were the issues/topics he would like to discuss and queried what the appropriate next step in the process would be.

Councilmember Mordo commented on the suggested discussion topics. He noted that historically, there have been very few homes approved in the estate home classification of 20,000 square feet and did not believe it was necessary to set a maximum for house size. However, he did concur with a review of setback requirements for estate homes. Mordo agreed that deer fencing would be a more attractive, aesthetically pleasing fence option that would lend itself to a feeling of open space compared to a solid 6 foot fence and he would be open to discussion. He expressed his concern with opening discussions on MDA/MFA because it was an arbitrary number and preferred reviewing each special case individually and granting variances where warranted. Mordo suggested that the Council consider reviewing the calculations for permeable and semi permeable materials.

Pedro offered that there was a currently a Council development policy adopted in 1999 that calls for discount in development area for the use of certain materials. Additional materials could be added. Mordo suggested that the table be reviewed.

Jones concurred and requested that direction be given to the Planning Commission to investigate ways to make it easier for people to develop their yards with methods and materials that would not substantially increase the amount of run off from their properties. One suggestion was the exploration of second story homes on sloped lots.

Councilmember Kerr supported relief for building on slope lots including credit for permeable driveways but believed that the current development allotment for flat lots was

appropriate. He also supported the use of taller deer fencing especially to protect gardens and vineyards but did not want to see properties completely fenced.

Councilmember O'Malley noted that he was comfortable with forwarding the topics to the Planning Commission for discussion. However, he was concerned with MDA being increased on sloped lots. O'Malley explained that the velocity of runoff from the lot potentially hurt the person residing below the property and could cause erosion but he was open to listening to proposals.

Mayor Warshawsky thanked staff for the report. He believed that it was a good survey and he had garnered several key points from his review of the findings. Warshawsky noted the trend that new residents and younger residents believed the Town's development policies were too restrictive. There also was a clear indication that the long term resident population was decreasing. Warshawsky suggested that the new/younger residents might be more supportive of the Town's long term capital improvement projects.

In review of the discussion items proposed by Mayor Pro Tem Jones, Warshawsky's comments included: no support for changes in the fence ordinance; support for green energy incentives as long as they were "carrots not sticks"; review of setback requirements for estate homes but no limit to the size of homes; and, he would support discussion of MDA/MFA requirements.

City Attorney Steve Mattas advised the Council that they could refer the matters where there had been Council consensus back to the Planning Commission for further evaluation. He suggested that it would be preferable for the Council to give clear direction on rather they wanted the Commission to consider and refer recommendations to Council or consider, take action and then refer the matter to Council.

Mayor Pro Tem Jones suggested that he would be interested in the Planning Commission's input on the issues being forwarded to Council for further Council consideration. He acknowledged that there was no clear consensus on the topics but Council had indicated they would like further discussion on the matters. He suggested the topics be referred to the Planning Commission for study, analysis and recommendations. The topics included:

- 1) Fencing: fence amendment to allow replacing 6 foot fences with 8 foot fences (open deer fencing only).
- 2) Slope properties: analysis of a set of recommendations of what development might be allowable given the advancements in technology, building techniques, and materials for projects on sloped lots. This would include review of materials that did not result in an increase of runoff from the property and could be discounted on development calculations. An additional option to be considered was calculations for a second floor not being counted as development on a very steep slope.
- 3) Estate Homes: Review of setbacks for larger homes but no further study of maximum house size.

4) Definition of incentives for high- energy construction. Review to be forwarded to both the Planning Commission and Environmental Initiatives Committee.

MOTION SECONDED AND CARRIED: Moved by Jones, seconded by Mordo and passed unanimously to refer the items identified to the Planning Commission and Environmental Initiatives Committee as appropriate.

13. Consideration of Sergeant William Sigua Memorial

City Manager Cahill reported that at the direction of the Mayor, staff and Community Relations Committee representative Duffy Price had reviewed options for an appropriate tribute for Sgt. William Sigua of Los Altos Hills who was killed in combat operations while serving in Iraq. Before Council was a proposal for their consideration to name one of the Town's Little League playing fields on Purissima Road in his honor. David Rock, Little League President, had advised the Board of the proposal.

Council consensus was to move forward with the memorial.

Staff was directed to work with the family and coordinate the dedication.

NEW BUSINESS

14. Discussion of City Council Summer Meeting Schedule

Following Council discussion, the June 28 and August 23, 2007 regular City Council meetings were cancelled.

REPORTS FROM COMMITTEES, SUB-COMMITTEES, AND COUNCILMEMBERS ON OUTSIDE AGENCIES

15. Loan to the Friends of Westwind for the repair of the lower riding arena surface at Westwind Barn

Councilmember Mordo introduced this item to Council. He summarized the recent successes of the Westwind Community Barn Committee (WCBC) that included: the new operating agreement between the Friends of Westwind and the Town; and, the Friends of Westwind's adoption of revised Bylaws. The Committee was now moving forward on renovation plans for the Barn. They would be submitting an agreement for architectural services and the development of a feasibility study to Council in the near future. The estimated project costs were between \$500,000 and \$1 million with funding to be divided equally between public and private monies. The consensus of the Committee was to retain the current footprint of the Barn with interior improvements to include a small meeting room for 10-15 people. A draft mission statement, written by Councilmember Kerr was published in the current June Newsletter and the Committee welcomed comments from the public.

Mordo advised that the Parks and Recreation Committee had attended a recent WCBC meeting and requested consideration of a recommendation to the Council for a loan to the

Friends of Westwind to fix the lower riding arena. He clarified that under the new Operating Agreement, the Town was responsible for repairs at Westwind over \$10,000.00 and the lower arena would be included in that responsibility. However, because the lower arena was not included in the old agreement, the Friends recognized that it was not the intent of the Town to include the arena. The WCBC Committee passed a motion to recommend approval of the loan in the amount of \$28,000 for repairs to the lower arena with a repayment scheduled over eighteen months.

City Manager Cahill offered that Westwind Community Barn was a capital asset of the Town and the loan was an investment in a Town recreational facility. Staff concurred with the Committee's recommendation to approve the loan.

Administrative Services Director Ragsdale noted that there was a capital improvement fund for the Barn that was established by Council with the proceeds from the Verizon lease payments. The monies have been held pending approval of a specific project for the site.

Councilmember Kerr recommended approval of the loan with an acceptance by the Town of future maintenance of capital costs for the lower arena. He suggested that the Parks and Recreation Department be responsible for scheduling the use of the lower arena with the Town programs having priority in scheduling. Kerr suggested that the scheduling and maintenance/repairs over \$10,000 of the lower arena be clarified in the final contract between the Town and Friends of Westwind that would supersede the term sheets.

Councilmember O'Malley explained that the cost to replace the lower arena would most likely exceed \$100,000 and it was imperative, similar to roads, that proper maintenance be scheduled. The project contractor had done work previously for the Friends and O'Malley considered him a capable contractor. He noted that it was important to have the second arena or with the scheduling of Town programs having priority there would be little time for the boarders who pay rent and 4-H Handicapped Riding program to use the arena.

Councilmember Kerr reviewed the circumstances surrounding the contractor proceeding with the work prior to the Council's approval. The contractor explained that he had an "opportunity of costs". His materials were in place and he had another project scheduled out of the area. The contractor's home base was in the Sierras. He accepted the risk that Council might not approve payment.

Mayor Warshawsky suggested that it would be helpful to have a comprehensive report on what the Westwind Community Barn Committee was proposing for the Barn. He wanted to look at Recreation programs and capitol projects in their entirety and understand where the Barn and equestrian programs fit in the "bigger picture".

Councilmember Mordo reviewed the original tasks of the WCBC that included: governance, Barn restoration, and Town programs. He noted that the issue of governance had been resolved and the Committee was now focused on restoration of the facility. Mordo suggested that the staff, with the support of the Parks and Recreation Committee, be charged with the Barn's operating issues, the responsibility of enforcing the contract and the supervision of the finances of the barn. Both staff and the Parks and Recreation

Committee would advise the WCBC of any agreement amendments that were required. The WCBC would be charged with monitoring and revising the contract as needed and monitoring/overseeing the finances of the Barn.

Councilmember Kerr explained that the draft proposal for restoration of the facility was cost effective, modest and low impact. He expected the conceptual proposal of the project to be ready for Council review in September. The plan would be used to develop cost estimates. Once there was a clear direction on the restoration, they could move forward with raising private matching funds for the project.

OPENED PUBLIC HEARING

Jane Kawasaki, resident, supported approval of the loan. She advised Council that the Horse Riding camps, Year Round Riding Program and Pony Club were all expanding and doing very well.

Valerie Metcalf, Parks and Recreation Committee Co-Chair, commented that her Committee had unanimously approved a motion in support of Council approval and forwarded it to the City Council.

Shari Emling, resident, distributed a handout to the Council regarding the project bids that had been requested and received for the repairs to the lower arena. She felt it was important for the Council to include in any discussion of the Barn the number of residents and non residents that benefit from any expenditure. Emling suggested that the LTD Equestrian bid was more complete and would have been a better repair. She offered that Friends of Westwind have not properly maintained the lower arena and direction to do so should be included in any loan agreement. Emling noted that this was taxpayers' money and the expenditure should be considered carefully.

Nancy Couperus, resident, clarified that one bid assumed that there was nothing wrong with the base. She read from the minutes of the Friends of Westwind May 2005 board meeting where the contractor had advised the board that the base of the lower arena had failed. Couperus suggested that the underlying problem had not been corrected by the work done by West Coast Footage and Supply. She questioned the wording of the resolution regarding the payback.

Caesar Bisono, Barn Manager, Westwind Community Barn, reviewed the bids with Council.

Sharon O'Malley, resident, explained that it might be possible that the two bids were for different materials. She had worked with the contractor on previous projects at Westwind Barn and advised that he was an honest and competent contractor.

Dot Schreiner, questioned how the money was going to be repaid. She wondered if interest was included in the loan agreement and if not, was this a subsidy to the Friends of Westwind.

City Attorney Steve Mattas explained that the facility was a Town owned facility and the project was a legitimate investment into a Town owned facility. It was an appropriate and legal expenditure.

CLOSED PUBLIC HEARING

Councilmember Mordo suggested two amendments to the resolution before Council: 1) revise the repayment language to state that the Town would deduct \$1556.00 from each \$3,000 monthly payment to the Friends of Westwind for stalls as outlined in the Operating Agreement for a net payment of \$1444.00 for eighteen months; and, 2) after the repairs were completed, the lower arena would be considered part of the infrastructure covered by the Operating Agreement with the Town having scheduling priority for their programs.

Councilmember O'Malley commented that the Friends of Westwind had built and maintained the arena at a cost of 100's of 1,000's of dollars. He noted that the Town paid for the Little League fields, the Town's riding ring and the Town picnic. The Friends of Westwind was the only organization that has given money to the Town and he felt it was inappropriate to suggest that they pay interest.

MOTION SECONDED, AMENDED AND CARRIED: Moved by O'Malley, seconded and amended by Mordo and passed by the following roll call vote to approve the resolution "Authorizing the City Manager to enter into a Loan Agreement with the Friends of Westwind, Inc for the purpose of repairing the surface of the lower riding arena at Westwind Barn" (Resolution 30-07) with the following clarifying amendments: the Town will deduct \$1556.00 from each \$3,000 monthly payment to the Friends of Westwind for stalls as outlined in the Operating Agreement for a net payment of \$1444.00 for eighteen months; and, 2) after the repairs have been completed, the lower arena would be considered part of the infrastructure covered by the Operating Agreement between the Town and the Friends of Westwind with the Town having scheduling priority of the arena for their programs.

AYES: Mayor Pro Tem Jones, Councilmember Kerr, Councilmember Mordo and Councilmember O'Malley
NOES: Mayor Warshawsky
ABSENT: None
ABSTAIN: None

Council direction was for the Town to pay the contractor directly. Council requested that the appropriate bid process be followed for all future projects. Staff concurred and noted that staff would be responsible for acquiring the proposals.

The City Attorney requested that staff be directed to receive all relevant releases from the contractor for payment. Council concurred.

Councilmember Warshawsky reiterated that it would be helpful to have a clear understanding of where the expenditures for Westwind Barn fit in the overall picture of Town's capital improvements. He suggested that it was difficult to support the item without the clarification.

STAFF REPORTS

City Manager- None

City Attorney-None

City Clerk-None

COUNCIL INITIATED ITEMS

None

ADJOURNMENT

There being no further business, the meeting was adjourned at the consensus of the City Council at 10:25 p.m.

Respectfully submitted,

Karen Jost
City Clerk

The minutes of the May 24, 2007 regular City Council meeting were approved as presented at the June 14, 2007 regular City Council meeting.